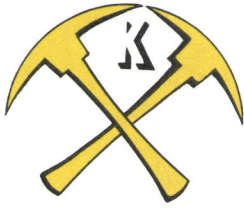


Mine file
Frank Filos
J. Whitehead



KELMINE CORP.

4901 YORK STREET • P.O. BOX 16043 • DENVER, COLORADO 80216 • PHONE 303/297-0117

11930 W. 44th Ave., Suite 200, Wheat Ridge, CO 80033 (303) 467-0117

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APR 01 1987

March 30, 1987

DIVISION OF
OIL, GAS & MINING

State of Utah Natural Resources
Oil, Gas and Mining
355 W. North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Attention: Lowell Braxton

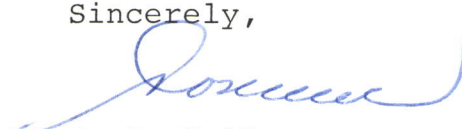
Reference: Lisbon Valley Copper Mine and Mill
PRO/037/032, San Juan County, Utah

Dear Mr. Braxton:

In July of 1986 Kelmine Corporation instructed the First Western National Bank of Moab, Utah to forward to your department an irrevocable letter of credit in the amount of \$85,000.00 as was required under the Utah Mined Land Reclamation Act.

As of this date Kelmine Corporation has made the decision to discontinue the project and, since no work has been performed, we kindly request that the \$85,000.00 letter of credit be released.

Sincerely,


C. O. Keller
President

COK/mc

Frank: Please discuss the field status of this site w/ Whitehead. I'd like you to inspect this site next time you are in Moab. If no disturbances exist, we'll need to request board approval to release to I.L.C. Please call Mr Keller & notify of our direction
Thank
LBS 4-7